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 SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

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**INFORMATION REPORT**

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25X1 SUBJECT Costs of Reconstruction of Salvage Ships  
and Caisson Construction

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1.

[REDACTED] Generaldirektion  
 Schifffahrt on the costs of reconstruction work on the salvage  
 vessels "Grobian" and "Goliath" and the building of ten salvage  
 caissons.

2. Salvage Ship "Grobian." - Reconstruction of wreck "Sallandia"  
 into a salvage vessel was commenced in 1950. The means were  
 provided from the fund for increasing the scrap supply  
 (Fonds zur Erweiterung der Schrottkapazitaet).

3. The job was assigned to the Plau shipyard, with the provision  
 that it was to be completed in 1950, on a cost estimate of  
 DM 435,136. The yard was not prepared to continue beyond the  
 end of 1950 at the above estimate. A new estimate of  
 DM 634,960 was submitted on 12 January 1951. About mid-year  
 it became evident that the ship could not be finished at  
 this figure. The estimate had to be revised and provision  
 made for additional costs. These additional costs amounted to  
 DM 235,862 up to 31 August 1951. The main reason for the  
 increases was that in the beginning, through inefficient  
 coordination and checking of the cost estimate, a whole  
 list of items was not included. These were put into the  
 second estimate, but at too low a figure. Including  
 DM 175,000 appropriated for 1952, the total cost of  
 construction is placed at DM 1,000,000, of which DM 376,092  
 are covered by funds provided, leaving an uncovered deficit  
 of DM 123,908.

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4. Salvage ship "Goliath." - Reconstruction of the salvage ship "Goliath" from an old hull was begun early in 1950. The cost estimate by the Mechlin shipyard was DM 235,000. This did not include the installation of machinery. The Mechlin yard was unable to carry out the work, which had to be done mostly, if not entirely, at Fuerstenberg. Altogether, DM 402,764 were dispensed in 1950 from the scrap fund. In 1951 a further investment of funds from other sources amounting to DM 90,465 was made. In the 1952 plan, an additional DM 80,000 is provided for completion of the ship, making the total completed cost DM 573,928.
5. It has subsequently turned out that the ship's hull had plates only four mm. thick. It is our understanding that thorough investigation is proposed by the Ship Classification Bureau (DSRK) to determine whether, since reconstruction, the ship is strong enough to be certified for small coastwise trips.
6. Caissons. - The building of ten salvage caissons was begun in 1950, the cost to be covered from the scrap fund. The caissons were to be completed in 1951. On the basis of cost estimates submitted by various firms, a price of DM 85,000 per piece was taken, or DM 850,000 for all ten caissons. In 1950, the scrap fund advanced DM 419,710. From the investment fund Ol6 (Grobian, Goliath and caissons), DM 418,293 was spent in 1951 for the caissons, making a total of DM 838,003 advanced. The final works accounting amounts to DM 1,026,243, leaving an uncovered deficit of DM 188,240.

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